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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

2006 NOV 29 A 11:40

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MIKE GLEASON  
KRISTIN K. MAYES  
BARRY WONG

AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF:

DOCKET NO. S-20442A-06-0110

Mid America Energy, Inc.,  
a Nevada Corporation  
129 Haven Street, Unit A  
Hendersonville, TN 37075

Mid America Oil & Gas  
A Tennessee Limited Liability Company  
2023 Earl Pearce Cir.  
Mount Juliet, TN 37122-1328

Gary M. Milby a.k.a  
Gary Moss Milby a/k/a  
Gary M. Milby and  
Wanda Milby  
husband and wife  
129 Haven Street, Unit A  
Hendersonville, TN 37075

Jim and Rita Whatcott,  
husband and wife  
129 Haven Street, Unit A  
Hendersonville, TN 37075

John and Lucille Blitz  
husband and wife  
129 Haven Street, Unit A  
Hendersonville, TN 37075

Clinton Goff a/k/a Clint Goff,  
an unmarried man  
321 Victor Reiter Parkway  
Portland, TN 37148

Warren Exploration, LLC  
A Nevada Limited Liability Company  
321 Victor-Reiter Parkway  
Portland, TN 37148

Energy Marketing, Inc.  
A Nevada Corporation  
129 Haven Street, Unit A  
Hendersonville, TN 37075

Respondents.

Arizona Corporation Commission

DOCKETED

NOV 29 2006

DOCKETED BY

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**TENTH**  
**PROCEDURAL ORDER**

1 **BY THE COMMISSION:**

2 On February 28, 2006, the Securities Division ("Division") of the Arizona Corporation  
3 Commission ("Commission") filed a Temporary Order to Cease and Desist ("T.O.") and a Notice of  
4 Opportunity for Hearing ("Notice") against Mid America Energy, Inc. ("MAE"), Mid America Oil &  
5 Gas ("MAO&G"), Gary M. Milby a/k/a Gary Moss Milby a/k/a Gary M. Milley and Jane Doe Milby,  
6 husband and wife, Jim and Jane Doe Whatcott, husband and wife, John and Jane Doe Blitz, husband  
7 and wife (collectively "Respondents"), in which the Division alleged that the Respondents committed  
8 multiple violations of the Arizona Securities Act ("Act") in connection with the offer and sale of  
9 securities in the form of investment contracts. As a result of the T.O., the Respondents were  
10 immediately ordered to cease and desist from violating the Act.

11 Respondents were duly served with copies of the Notice.

12 On March 27, 2006, Respondents filed a request for hearing. Answers were also filed.

13 On March 28, 2006, by Procedural Order, a pre-hearing conference was scheduled for April  
14 20, 1006.

15 On April 20, 2006, at the pre-hearing, the Division and Respondents appeared with counsel.  
16 After a brief discussion of the issues raised by the T.O. and Notice, the parties agreed that another  
17 pre-hearing be scheduled.

18 On April 21, 2006, by Procedural Order, another pre-hearing conference was scheduled for  
19 July 18, 2006.

20 On July 18, 2006, the Division and Respondents appeared through counsel. The Division  
21 indicated that a parallel proceeding may be brought and the T.O. and Notice may be amended. The  
22 Division and the parties stipulated to a hearing being scheduled in October. By Procedural Order, a  
23 hearing was scheduled to commence on October 24, 2006.

24 On August 14, 2006, the Division filed a Motion to Amend the T.O. and Notice ("Motion").  
25 Attached to the Motion as Exhibit "A" was a copy of the Proposed First Amended T.O. and Notice  
26 which corrects the names of the spouses of certain previously named Respondents, names Clinton  
27 Goff, Warren Exploration, L.L.C. ("Warren") and Energy Marketing, Inc. ("EMI") as additional  
28 Respondents, and adds further allegations. There have been no objections filed to the Division's

1 Motion.

2 On September 6, 2006, by Procedural Order, the Division's Motion was granted and the  
3 Division was ordered to file and serve the Amended T.O. and Notice upon all parties and the  
4 additional named Respondents.

5 On September 8, 2006, the Division filed the Amended T.O. and Notice. The Division also  
6 filed a Motion to Continue the Administrative Hearing previously scheduled for October 24 and 25,  
7 2006, requesting that at least three days be allocated for any new hearing that is scheduled. The  
8 Division further requested the exchange of witness lists and copies of exhibits by the parties be  
9 delayed in light of the Division's Motion to Continue.

10 On September 12, 2006, by Procedural Order, the Division's Motion to Continue was granted  
11 and the exchange of witness lists and copies of exhibits was ordered held in abeyance pending the  
12 rescheduling of the hearing. The Division was further ordered to file certification of service upon the  
13 additional parties to the proceeding after which further proceedings would be scheduled.

14 On September 22, 2006, counsel for MAE, MAO&G and Mr. and Mrs. Gary Milby filed what  
15 was captioned "Notice of Withdrawal As Counsel of Record" ("Withdrawal Notice"). The  
16 Withdrawal Notice neither complies with A.A.C. R14-3-104 nor E.R. 1.16. The Commission's Rule  
17 and the Rules of Professional Conduct of the Arizona Supreme Court should be complied with to  
18 properly withdraw from the proceeding.

19 On September 26, 2006, by Procedural Order, counsel for MAE, MAO&G and Mr. and Mrs.  
20 Milby was ordered to file an application to withdraw which establishes good cause consistent with  
21 A.A.C. R14-3-104 and E.R. 1.16 and to provide reasonable notice to their clients of their intended  
22 action.

23 On September 27, 2006, counsel for MAE, MAO&G and Mr. and Mrs. Milby filed an  
24 application to withdraw as counsel of record which meets the requirements of A.A.C. R14-3-104 and  
25 E.R. 1.16.

26 On September 28, 2006, by Procedural Order, the request by counsel for MAE, MAO & G  
27 and Mr. and Mrs. Milby was granted authorizing their withdrawal from the proceeding.

28 On October 10, 2006, the Division filed certification of service upon the additional

1 Respondents to the proceeding, Mr. Goff, Warren and EMI.

2 On October 23, 2006, Respondents Goff and Warren filed a request for a hearing.

3 On October 25, 2006, by Procedural Order, a pre-hearing conference was scheduled for  
4 November 28, 2006.

5 On November 28, 2006, the Division, the Whatcott, Blitz, Goff and Warren Respondents  
6 appeared at the pre-hearing conference thru counsel. The MAE, MAO & G, Milby and EMI  
7 Respondents failed to appear and are in default to the Amended T.O. and Notice. Counsel for the  
8 Division indicated that the parties who are not in default are attempting to resolve the issues raised in  
9 the Amended T.O. and Notice and may enter into Consent Orders to be presented for Commission  
10 approval, but in the alternative requested that a hearing be scheduled if the parties cannot agree on a  
11 resolution of the issues raised by the Amended T.O. and Notice.

12 Accordingly, a hearing should be scheduled.

13 IT IS THEREFORE ORDERED that that a hearing shall be held on **February 7 and 8, 2007,**  
14 **at 9:30 a.m.,** at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona.

15 IT IS FURTHER ORDERED that the parties shall exchange copies of their Witness Lists and  
16 Copies of Exhibits with courtesy copies provided to the Presiding Administrative Law Judge by  
17 January 19, 2007.

18 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive  
19 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

20 Dated this 29th day of November, 2006

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23   
24 MARC E. STERN  
ADMINISTRATIVE LAW JUDGE

25 Copies of the foregoing mailed/delivered  
this 29th day of November, 2006 to:

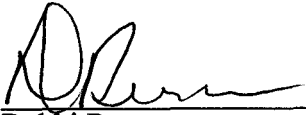
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27 Mid America Oil & Gas  
A Tennessee Limited Liability Company  
2023 Earl Pearce Cir.  
28 Mount Juliet, TN 37122-1328

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12 Warren Exploration, LLC

13 Matt Neubert, Director  
14 Securities Division  
15 ARIZONA CORPORATION COMMISSION  
16 1200 West Washington Street  
17 Phoenix, AZ 85007

18 ARIZONA REPORTING SERVICE, INC.  
19 2627 N. Third Street, Suite Three  
20 Phoenix, Arizona 85004-1103

21 By:   
22 Debbi Person  
23 Secretary to Marc E. Stern  
24  
25  
26  
27  
28